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Journal

Office of Legislative Counsel

Wednesday - 29 June 5

1. The Hoover Commission report on Intelligence Activities has been referred to the Committee on Government Operations in both houses.

2. Col. White held a meeting to discuss the CIA position on the draft of the proposed Overseas Allowances Act of 1955 submitted to us by the Bureau of the Budget for comment. Those present included Mr. Reynolds, [REDACTED] of Personnel, Mr. Saunders 25X1A9a and [REDACTED] of the Comptroller's office, Mr. Lloyd, [REDACTED] 25X1A9a the Legislative Counsel. A basic question for determination involved 25X1A9a whether CIA desired to utilize the proposed legislation or to maintain its allowances provisions in CIA's own legislation. It was pointed out that the proposed draft repeals Section 901 of the Foreign Service Service Act of 1946, and that the DCI's authority to issue allowances in accordance with provisions of Section 901 are contained in Section 5(b) of the CIA Act of 1949. The State Department plans to oppose repeal of its Section 901. It was also agreed that the benefits which would accrue under the proposed bill would exceed the benefits presently allowable to CIA. It was agreed that CIA would endorse the proposed bill; and that it would request that if the final version did not repeal Section 901 of the Foreign Service Act, we would ask that the bill be amended by adding the words "as amended" to the end of Section 5(b) of the CIA Act of 1949 so that CIA 25X1C4d personnel under [REDACTED] 25X1C4d would receive all the benefits 25X1C4d of [REDACTED] allowances both of the original Foreign Service Act and the amendments of 1955. It was further the consensus of the group that if Section 901 was repealed the Agency could certainly receive virtually all of its requirements in the allowances field from the Administrations proposal. It was also conceded that we could continue to handle special problems under Section 10(b) of the CIA Act and that in all probability under either conditions certain inequities were bound to arise which would have to be met case-by-case. It was also pointed out that the Act included employees of wholly owned Government corporations which would raise a question concerning CIA proprietaries but that these cases would have to be handled as we have done in the past, distinguishing between willing and unwitting employees.